

Exhibit 1
(Work paper related to analytical procedure)

Audit (9)
Queries.

1. Interest Calculation on NPA Loans
2. Jewellery Business Discontinuation w.e.f. 15-January-18
3. Jewellery Business Security Receivable – Notice to be sent by IRP team for recovery
 - a. Satish Chand Aggarwal (JEWELS GHAZIABAD) -1674719
 - b. Surender Hans (JEWELS NIT FBD) – 1110000
 - c. Veena Gupta (JEWELS-KAROL BAGH) – 6800000
4. Imprest to staff (UAE Branch) – write off entry reversed
5. Overseas Branch Closure Note is required from Raju Bansal Ji
6. NCLT Status to be provided from IRP Team (Vijay)
7. Overseas Debtor – provision for doubtful debts to be made
8. Double Payment to Public Deposit parties – notice to be issued by IRP
9. Interest on Public Deposits to be provided at normal rate
10. Qube Cinema ledger (debit and credit balances) – No adjustment and to be shown as it is
11. Balance of Sarv Prakash Developer – Agra Cinema – Legal Notice to be sent by IRP Team
12. Value Bazaar Security Deposit receivable to be transferred to creditor account against rent and net balance to be compared with notice period rent and amount shall be written off.
13. Salary Difference – Due to Neem Salary (a note to be provided to the auditors).
14. Comment on value bazaar stock written off shall be provided with proper justification
15. Provision for doubtful debts to be made
16. Reconciliation with 26 AS to be given.
17. Ind AS Provision reversal to be made through proper head.

1. **Going Concern** : Since the honourable NCLT has appointed IRP for the company to carry out the function as mentioned under Insolvency & Bankruptcy Code, Going Concern status of the company is questionable. Please explain your view in this regard :
2. **Closure of Value Bazaar Operations** : Since operations of the value bazaar segment has been closed on 31st March 2018, Please clarify the following :
 - a. Stock amounting to Rs. 8.65 Crore has been written off in the books. Please justify with suitable evidences.
 - b. Fixed Assets having WDV amounting to Rs. 4.74 crores was sold on a consideration of Rs 14 Lacs Resulting in capital loss of Rs. 4.60 Cr Please provide the asset wise sale details. Further justify the capital loss.
 - c. Further Interior, Fixtures, electrical fittings etc. having wdv of Rs. 4.61 crores were written off. Please justify the basis of written off
 - d. There is security deposit amounting to Rs. 3.39 Cr receivable from the lessor of value bazaar. Further Rent outstanding to the lessor is Rs 1.12 Cr. whether any full and final settlement and termination letter with the parties has been signed. If yes please provide the documents. Where any full and final settlement/termination letter has not signed please explain the recoverability of the security amount.
 - e. An amount of Rs. 10.08 Cr is payable to operational creditors. Please explain that how the same will be paid. Also provide the details of claim submitted.
 - f. There is other payable to employees / other parties. Please explain that how the same will be paid. Also provide the details of claim submitted.
 - g. What are the steps taken / to be taken for the recovery from the parties having debit balances including advances to employees left in the books. Also provide the details of amount doubtful for recovery.
 - h. Three Vehicle loan is running in value bazaar. Please provide the physical existence of vehicle and loan status as on date.
 - i. Please provide the sale, purchase and Stock report from ginney software for Q4.
 - j. Since the value bazaar accounts team has already left who will provide the records
3. **Kindly provide the workings for the below mentioned expenses along with 10 vouchers of highest value each for respective segment.**

The Security & House Keeping Expenses for FY 2017-18 are as follows:

- a. Management - Rs. 33,99,718

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- b. Cinema - Rs. 10,11,65,986
- c. Value Bazaar - Rs. 1,64,14,860

The Electricity & Water Charges for FY 2017-18 are as follows:

- d. Management - Rs. 1,61,55,708
- e. Cinema - Rs. 4,90,03,247
- f. Value Bazaar - Rs. 2,59,14,020

The Insurance Expenses for FY 2017-18 are as follows:

- g. Management - Rs. 5,18,549
- h. Cinema - Rs. 10,28,941
- i. Value Bazaar - Rs. 5,29,551

The Repair & Maintenance Expenses for FY 2017-18 are as follows:

- j. Management - Rs. 14,12,971
- k. Cinema - Rs. 1,23,05,866
- l. Value Bazaar - Rs. 72,02,980

The Legal & Professional Expenses for FY 2017-18 are as follows:

- m. Management - Rs. 1,22,694
- n. Cinema - Rs. 6,04,367
- o. Value Bazaar - Rs. 9,99,398

The Miscellaneous Expenses for FY 2017-18 are as follows:

- p. Management - Rs. 14,974
- q. Cinema - Rs. 18,21,046
- r. Value Bazaar - Rs. 8,14,363

The Telephone & Communication Expenses for FY 2017-18 are as follows:

- s. Management - Rs. 1,92,691
- t. Cinema - Rs. 10,95,189
- u. Value Bazaar - Rs. 17,45,141

The Travelling & Conveyance Expenses for FY 2017-18 are as follows:

- v. Management - Rs. 68,119
- w. Cinema - Rs. 27,57,242
- x. Value Bazaar - Rs. 42,42,927

The Selling & Distribution Expenses for FY 2017-18 are as follows:

- y. Cinema - Rs. 37,75,171
- z. Value Bazaar - Rs. 28,26,996

The Advertisement Expenses for FY 2017-18 are as follows:

- aa. Cinema - Rs. 51,18,356
- bb. Value Bazaar - Rs. 19,60,555

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The Lease Rent Paid for FY 2017-18 are as follows:

cc. Management	-	Rs. 1,00,79,716
dd. Cinema	-	Rs. 18,32,13,676
ee. Value Bazaar	-	Rs. 9,36,08,562

Exhibit 2
(Work paper relate to seeking information related to fraud)



Pankaj Bansal <svpassociates83@gmail.com>

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Advance adjustment details and confirmation required

Himanshu.Bhadsawale <himanshu.bhadsawale@bookmyshow.com> Fri, Oct 12, 2018 at 11:59 AM
To: Pankaj Bansal <svpassociates83@gmail.com>, Vishal Patil <vishal.patil@bookmyshow.com>
Cc: Naimish Mothreja <naimish.mothreja@bookmyshow.com>

Hi Pankaj,

Vishal will chk and get back to you on below confirmation.

+ Vishal Pls chk and confirm

Thanks & Regards,

Himanshu Bhadsawale

[Quoted text hidden]

M Gmail

Annexure-R-10
Pankaj Bansal <svpassociates83@gmail.com>

Advance adjustment details and confirmation required

Pankaj Bansal <svpassociates83@gmail.com>
To: himanshu.bhateswale@bookmyshow.com

Mon, Oct 8, 2018 at 3:15 PM

Dear Sir/madam,

SVP & Associates and Oswal Sunil & Company are auditing the financial statements of SRS Limited for the financial year ending 2017-18 and wish to obtain details regarding advance amounting to Rs 50 crores given to SRS Ltd during 1st quarter of the said FY which had to be adjusted against future ticket sale, online food sale and service charges.

Further, there is a debit balance amounting to Rs 31,33,932 in the name of big tree entertainment pvt ltd in the books of SRS Ltd which pertains to the period prior to the signing of the advance amount agreement. Kindly provide us the current status of the debit balance. Although a separate confirmation has been sent in this regard, we are sorry for the repetition.

Should you have any clarification, please feel free to contact.

Regards,
Pankaj Bansal
+91 9811228951

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Pankaj Bansal

with regards,
CA Pankaj Kumar
SVP & Associates
Chartered Accountant
1209, New Delhi House, 27,
Barakhamba Road, Connaught Place,
New Delhi-110001
Tel. no. 011-23243288, 23272690

Exhibit 3
(Email sent to company)

M Gmail

Annexure-R-8
Pankaj Bansal <svpassociates83@gmail.com>

Details for debtors and advances alongwith provisions for doubtful debts

1 message

VSharma <vsharma@srspartvar.com>
To: P bansal PB Daryaganj Rohit <svpassociates83@gmail.com>, OSC Auditor <auditor@oswalsunil.com>
Tue, Oct 16, 2018 at 1:17 PM

PFA

4 attachments





-  Advance to Creditors.xlsx
17K
-  advance to employee.xlsx
13K
-  Advance to Suppliers.xlsx
18K
-  Trade Receivable.xlsx
27K

Exhibit 4 (Audit Plan, Programme)

SRS LIMITED
Audit Programme for 2017-18

Annex-R-23

N No. On the basis of limited review observations, information obtained and preliminary discussion with the entity's personnel, considerations and methodology for performing the Statutory Audit of the aforementioned entity are as follows:-

- 1 **Audit Objective:-** An annual audit is an independent examination of evidence supporting the amounts and disclosures in the entity's financial statements. We shall also assess the entity's compliance with different authority whether statutory or any other and consider whether, during the course of our examination, we have become aware of any "other matters" that, in our opinion, should be brought to the attention of the Board. The objectives of the annual audit are to provide an independent opinion on whether the financial statements, in all material aspects, have been fairly presented; the accounting standards have been consistently applied in respect to the preceding years; and the transactions coming to our notice in the course of the examination have, in all significant respects, been in accordance with the rules and regulations applicable on the entity including contracts and agreement between the entity and any other private party.
- 2 **Auditor's responsibility:-** a) obtaining an understanding of the entity and its environment, including internal control, in order to assess the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole.
b) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
c) assessing the accounting principles used and their application; and
d) assessing the significant estimates made by management.
- 3 **Identification of significant audit areas:-** Our audit is risk based. This means we shall concentrate our audit work on areas with a higher risk of a material misstatement such as impact of Ind AS adjustments, outstanding balances, abnormal transactions, recording of revenue & expenses, etc. and determining proper recording or reporting of non-compliance of any statutory provision or contractual term.

Significant Business event	Audit implications on financial statements
Transfer custody of Chairman Anil Jindal and other managerial personnel of SRS group on 6th April, 2018	Such police and judicial action could impact operational efficiency and decision making of the entity as a whole, thus applicability of Ind AS 10 (Events Occurring after the balance sheet date) needs to be examined on account of adjusting event and appropriateness of going concern assumption and thus whether fundamental change in accounting is required or not. Hence, this could result in a qualification on the auditor's report.
Closure of retail (vahan hazaar) segment	We need to examine disposal of assets, treatment of significant adjusting entries and the consequent risk of errors in the financial statements. We will also review disclosures in the financial statements to ensure they are complete and accurate.
Initiation of corporate insolvency resolution process (CIRP) under IBC, 2016	The entity has been defaulting in payment of its financial dues towards financial institutions, public deposits, statutory dues etc since last FY 2016-17, the trend of which has been continued in the current FY 2017-18 as observed during quarterly limited reviews. Due to said defaults, corporate insolvency resolution process (CIRP) has been initiated against the entity and recently Insolvency Resolution Professional has also been appointed, thus managing the entity's affairs going forward and exercising the powers of Board of Directors. Hence, we need to examine the risk that management estimates accounting are not complete and accurate including the risk of manipulation of results in respect of treatment, determination regarding carrying forward of amounts, particularly the recoverability of the assets. In relation to this, we need to examine the disclosures to be made in the audit report.

- 5 **Materiality:-** Materiality refers to extent of misstatement(s) that could be ignored in financial statements as it is assumed that such misstatement if not corrected will not affect the decisions of the stakeholders. Since there is closure of retail and jewellery segments (cash-generating units), hence there is uncertainty about the going concern as well as on the part of the entity meeting its financial obligations towards banks, public deposits, statutory dues etc. hence it is appropriate to consider Total Assets from the perspective of recoverability as an appropriate benchmark for determining materiality. In our opinion, materiality to the extent of 1% of the total assets and non-current materiality to the extent of 75% of the current materials shall be appropriate. This form below performance materiality may be ignored subject to the risk of being material in aggregate for the overall financial statements.
- 6 **Fraud & Errors:-** When conducting the audit, we shall consider the possibility that fraud or error, if sufficiently material, may affect our opinion on the financial statements. Accordingly, we shall maintain an attitude of professional scepticism throughout the audit, recognizing the possibility that a material misstatement does exist and could exist. To identify the possibility of fraud, we can perform specific procedures including but not limited to:-
 - Examining journal entries and other adjustment for evidence of possible material misstatement;
 - Making inquiries from management and meeting with them, if need necessary;
 - Evaluating the business rationale of significant unusual transactions;
 - Reviewing accounting estimates and treatment of uncertainties that can material misstatement.
- 7 **Management Representations:-** As part of our audit process, we may require certain representations from management to writing as they are integral to the audit evidence gathered by us and they are required in writing so that we have appropriate documentation to support the content of our report.

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SRS LIMITED

Audit Checklist for 2017-18 for Bits of Information of work
Date of commencement- 11.09.2018

Circle/Division	Management (Sector 12 Major)	Bit's - Segment (Value Based)	Overall Requirements w.r.t to Circle/Unit, Value Based
Team Deployed: CA Parul Kumar (Sr Partner), CA Rohit Agrawal, Lavish (Associate Assistant)	Team Deployed: CA Parul Kumar (Sr Partner), CA Rohit Agrawal, Kanchan (Deputed Assistant)	Team Deployed: CA Parul Kumar (Sr Partner), CA Kavita Sehgal (Partner), Chetan (Associate Assistant)	Team Deployed: CA Parul Kumar (Sr Partner), CA Kavita Sehgal (Partner), CA Rohit Agrawal
Checking Opening Balance w.r.t 31.12.17 and 31.03.2017	Checking Opening Balance w.r.t 31.12.17 and 31.03.2017	Checking Opening Balance w.r.t 31.12.17 and 31.03.2017	Checking Opening Balance w.r.t 31.12.17 and 31.03.2017
Ledger Scrutiny of Trial Balances, checking and verification of the ledgers	Ledger Scrutiny of Trial Balances, checking and verification of the ledgers	Ledger Scrutiny of Trial Balances, checking and verification of the ledgers	Inward Audit Report - Not provided IPC
Process of booking Box Office collection and their reconciliation with reports of Vista (customised software), obtaining the reasons for discrepancies, if any	Check the Lease rental Income received from the shops with their agreements along with vis-a-vis security deposit receivable	Compliance with Ind AS 65 in respect of discontinued operations Details and valuation of inventory	Salary reconciliation Statutory liabilities, including but not limited to:- - Entertainment tax returns - Service Tax Returns and the Returns with reconciliations and challans - Income Tax, TDS Returns & challans with Reconciliation - ESIC & PF Challan with reconciliation - Ensuring compliance with other statutory bodies like BSE, NSD - Statutory of Fixed Assets (especially vehicle roll) including depreciation to be checked
In case of Visa (customised software), obtaining the reasons for discrepancies, if any	Check the applicability of Tax holiday scheme as prescribed by the government on construction of cinemas	Verification of Sales with Alif and Gram (customised software) and preparation of reconciliation if any List and value of Products discarded and written off Verification of Purchases with Alif and Gram (customised software) and preparation of reconciliation if any	- Details of related party transactions and its disclosures in financial statements including compliance with the statutory provisions - Interest certificate of TDs if any - Annual Valuation in per Ind AS - General, Leave Encashment - Working of Provision for Income and Provisions
Scrutiny of other revenue streams such as income from agent, front, book rental, commission, etc. with respective agreements	Check the Management fees received from the Cinema's and their agreements	Obtain Stock aging report Verification of Advertisement income and interest on income with the agreements	- Detail of Suspense Account (if any) - Ind AS reconciliation - Details of security deposits receivable & payable - Scrutiny of suppliers and service providers. Special certificate to be filed with:- - Provision for expense against advance given - Balance long outstanding
Verification of amount of Entertainment Tax that is collected on account of the sale of tickets, its calculation and reconciliation with challans with special consideration on tax free movies	Check the amortisation of land and building	Verification of Lease rental with the lease agreements Verification of Inter bank loan, electricity expense and CAM charges	- Status of security deposit receivable, for closed locations - Rental income not booked if in case of security deposit payable - Pending balance confirmation to selected suppliers, service providers, dealers, suppliers, vendor from whom security deposit is receivable and to whom security deposit is payable and any other concerns identified in terms of assurance confirmation on all the issues balance in absence of confirmation to be given with a proper query, if required
Verification of rates regarding rates for a different class of tickets, benefit shows, free passes, concessional tickets for bookings made to groups of the student at schools and colleges, etc.	Preparation of observation and queries sheet sent to auditee for their remark. Discussion of observation with management.	Details regarding commission paid towards credit card and provision TDS deduction on interest Details of capital asset, sold, if any Account Statement, N/A, and/or sale details relating to vehicle loans along with any other information as deemed necessary Physical Verification of Investments, N/A, if any	- Debt balances in credit account (including security deposit payable etc.) and other balances in debit account (including security deposit receivable, etc.) to be checked specially - Cash certificate by Management - All Bank statements with reconciliations - Status of Legal Suits by and against the company - Concluding Audit queries/ observations - Final Review of Financial Statements - notes to accounts grouping (A/B)
Check the purchases with reports of Vista (customised software), obtaining the reasons for discrepancies, if any	Check the Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Check the Directorship Expense with their respective agreements and reports of Vista (customised software), obtaining the reasons for discrepancies, if any	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Scrutiny of expenses relating to commission, advertisement, lease rental, hotel, etc.	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
TDS deduction on expense	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Reconcile cash balance in its revenue streams and responses/queries such as distributorship expenses, etc. with its previous year	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Details and valuation of inventory	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Physical Verification of Fixed Assets	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Scrutiny of transactions and agreement for sale of cinema during the period if any made	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Item purchased but not shown needs to be accounted for in a proper way	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	
Preparation of observation and queries sheet sent to auditee for their remark. Discussion of observation with management	Check Lease rental paid with the agreements	TDS deduction on expenses New agreements entered and old agreements terminated	

Exhibit 5
(Work distribution statement)

ANNEXURE - R-15

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SRS LIMITED
Work Distribution - FY 2017-18

Annexure

S.No.	Particular	OSC	SVP	Joint Responsibility
1	Corporate	Yes	No	No
2	MGM	No	Yes	No
3	Project	Yes	No	No
4	Value Bazar	No	Yes	No
5	7Days	Yes	No	No
6	Cinema	No	Yes	No
7	Jewellery	Yes	No	No
8	WT. Grocery	Yes	No	No
9	Fixed Asset	No	No	Segment wise
10	Physical verification & FAR Verification	No	No	Segment wise
11	Secretarial	Yes	No	No
12	Loans Bank in all respect	Yes	No	No
13	DTA	No	No	Joint
14	Inventory Valuation	Yes	No	Segment wise
15	Debtors/Creditors confirmation	No	No	Segment wise
16	Statutory Liabilities	No	Yes	All Segment
17	Provisioning for Exp.	No	No	Segment wise
18	Income Tax	No	No	Joint
19	Salary	Yes	No	No
20	Notes to Accounts	No	No	Joint
21	Audit Report	No	No	Joint

